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EXAMINER

PLUCINSKI, JAMISUE A

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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 10/029,832

Filing Date: December 27, 2001

Appellant(s): HAKEN, JACK E.

Jack E. Haken
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 1/10/06 appealing from the Office action
mailed 12/07/05.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

WITHDRAWN REJECTIONS

The following grounds of rejection are not presented for review on appeal because they have been withdrawn by the examiner. The 103(a) over a combination of Ohler et al. and Kraisser et al. rejection for Claims 1-8, 10, 11, 13 and 14, and subsequently over O-Meara for Claim 6.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

No evidence is relied upon by the examiner in the rejection of the claims under appeal.

NEW GROUND(S) OF REJECTION

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-7, 10 and 14 are rejected under 35 U.S.C. 101 because the claims do not limit any process step to any specific machine/apparatus or transformation of an article. The machine or transformation test is a two-branch inquiry; an applicant may show that a process claim satisfies 101 either by showing that his claim is tied to a particular machine or by showing that his claim transforms an article. Furthermore, the use of a specific machine or transformation of an article must impose meaningful limits on the claim's scope to impart patent-eligibility. Second, the involvement of the machine or transformation in the claimed process must not merely be insignificant extra-solution activity. (See *In re Bilski*)

In the claims listed above, the claims set forth the use of a wireless terminal to receive data, however it is determined that the use of a known device to collect or gather data is considered to be merely insignificant extra-solution activity.

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 101

Claim 13 is rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. The claim is directed to a statutory class of an apparatus, which is an electrical signal that contains information. An electrical signal is a non-tangible object, it is not being received anywhere nor is it being transmitted. There appellant is merely claiming the signal itself, which is considered to be non-statutory subject matter.

(10) Response to Argument

First, a claimed signal is clearly not a "process" under § 101 because it is not a series of steps. The other three § 101 classes of machine, compositions of matter and manufactures "relate to structural entities and can be grouped as 'product' claims in order to contrast them with process claims." 1 D. Chisum, Patents § 1.02 (1994). The three product classes have traditionally required physical structure or material.

"The term machine includes every mechanical device or combination of mechanical device or combination of mechanical powers and devices to perform some function and produce a certain effect or result." Corning v. Burden, 56 U.S. (15 How.) 252, 267 (1854). A modern definition of machine would no doubt include electronic devices which perform functions. Indeed, devices such as flip-flops and computers are referred to in computer science as sequential machines. A claimed signal has no physical structure,

does not itself perform any useful, concrete and tangible result and, thus, does not fit within the definition of a machine.

A "composition of matter" "covers all compositions of two or more substances and includes all composite articles, whether they be results of chemical union, or of mechanical mixture, or whether they be gases, fluids, powders or solids." *Shell Development Co. v. Watson*, 149 F. Supp. 279, 280, 113 USPQ 265, 266 (D.D.C. 1957), aff'd, 252 F.2d 861, 116 USPQ 428 (D.C. Cir. 1958). A claimed signal is not matter, but a form of energy, and therefore is not a composition of matter.

The Supreme Court has read the term "manufacture" in accordance with its dictionary definition to mean "the production of articles for use from raw or prepared materials by giving to these materials new forms, qualities, properties, or combinations, whether by hand-labor or by machinery." *Diamond v. Chakrabarty*, 447 U.S. 303, 308, 206 USPQ 193, 196-97 (1980) (quoting *American Fruit Growers, Inc. v. Brogdex Co.*, 283 U.S. 1, 11, 8 USPQ 131, 133 (1931), which, in turn, quotes the Century Dictionary). Other courts have applied similar definitions. See *American Disappearing Bed Co. v. Arnaelsteen*, 182 F. 324, 325 (9th Cir. 1910), cert. denied, 220 U.S. 622 (1911). These definitions require physical substance, which a claimed signal does not have. Congress can be presumed to be aware of an administrative or judicial interpretation of a statute and to adopt that interpretation when it re-enacts a statute without change. *Lorillard v. Pons*, 434 U.S. 575, 580 (1978). Thus, Congress must be presumed to have been aware of the interpretation of manufacture in *American Fruit Growers* when it passed the 1952 Patent Act.

A manufacture is also defined as the residual class of product. 1 Chisum, § 1.02[3] (citing W. Robinson, *The Law of Patents for Useful Inventions* 270 (1890)). A product is a tangible physical article or object, some form of matter, which a signal is not. That the other two product classes, machine and composition of matter, require physical matter is evidence that a manufacture was also intended to require physical matter. A signal, a form of energy, does not fall within either of the two definitions of manufacture. Thus, a signal does not fall within one of the four statutory classes of § 101.

Furthermore, the information the electrical signal carries, is considered to be non-functional descriptive material. Nonfunctional descriptive material that does not constitute a statutory process, machine, manufacture or composition of matter and should be rejected under 35 U.S.C. § 101. Certain types of descriptive material, such as music, literature, art, photographs and mere arrangements or compilations of facts or data, without any functional interrelationship is not a process, machine, manufacture or composition of matter. USPTO personnel should be prudent in applying the foregoing guidance. Nonfunctional descriptive material may be claimed in combination with other functional descriptive multi-media material on a computer-readable medium to provide the necessary functional and structural interrelationship to satisfy the requirements of 35 U.S.C. § 101. The presence of the claimed nonfunctional descriptive material is not necessarily determinative of nonstatutory subject matter. For example, a computer that recognizes a particular grouping of musical notes read from memory and upon recognizing that particular sequence, causes another defined series of notes to be played, defines a functional interrelationship among that data and the computing processes

performed when utilizing that data, and as such is statutory because it implements a statutory process. For the instant invention, the claims state that the electrical signal is modulated with information to implement the sending and receiving steps, however, the independent claim, still allows for the sending and receiving steps to be done manually over the phone, therefore the information the electrical signal provides, is not functionally related to the steps of receiving and sending. The steps of receiving and transmitting are performed the same regardless of what type of information is present in the signal.

The appellant has argued that a signal is in fact tangible, due to the fact the dictionary definition of tangible is a) capable of being perceived especially by the sense of touch, b) capable of being precisely identified or realized by the mind, or c) capable of being appraised at an actual or approximate value. The appellant then goes on to state that a data modulated signal is unquestionably capable of being perceived through the use of suitable circuitry such as found in a cellular phone (for example) and is therefore real in the sense that it can be detected and therefore exists; it is capable of being precisely identified such as through the use of such circuitry; and further capable of being appraised at an actual or approximate value when the signal is demodulated by suitable receiving circuitry. While a signal may be realized by the use of circuitry and computer equipment, the dictionary definition clearly states that in order for something to be tangible, it must be capable of being perceived especially by the sense of touch or precisely identified or realized by the mind. An electrical signal cannot be perceived by touch, nor can it be perceived by the mind. An electrical signal requires the use of circuitry or a computer to be perceived or identified. A person cannot perceive or

identify a signal without the use of computer equipment, nor can a person be capable of appraising at an actual or approximate value, unless the signal is demodulated by suitable circuitry. Therefore the electrical circuit itself is not considered to be statutory subject matter, due to the fact that it in itself is not tangible. Claim 13, where as it states they are transmitted on a cellular wireless communication system, is drawn to the actual electrical signal itself, which is considered to be non-statutory subject matter.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

This examiner's answer contains a new ground of rejection set forth in section above. Accordingly, appellant must within **TWO MONTHS** from the date of this answer exercise one of the following two options to avoid *sua sponte* **dismissal of the appeal** as to the claims subject to the new ground of rejection:

(1) Reopen prosecution. Request that prosecution be reopened before the primary examiner by filing a reply under 37 CFR 1.111 with or without amendment, affidavit or other evidence. Any amendment, affidavit or other evidence must be relevant to the new grounds of rejection. A request that complies with 37 CFR 41.39(b)(1) will be entered and considered. Any request that prosecution be reopened will be treated as a request to withdraw the appeal.

(2) Maintain appeal. Request that the appeal be maintained by filing a reply brief as set forth in 37 CFR 41.41. Such a reply brief must address each new ground of rejection as set forth in 37 CFR 41.37(c)(1)(vii) and should be in compliance with the other requirements of 37 CFR 41.37(c). If a reply brief filed pursuant to 37 CFR 41.39(b)(2) is accompanied by any amendment, affidavit or other evidence, it shall be treated as a request that prosecution be reopened before the primary examiner under 37 CFR 41.39(b)(1).

Extensions of time under 37 CFR 1.136(a) are not applicable to the TWO MONTH time period set forth above. See 37 CFR 1.136(b) for extensions of time to reply for patent applications and 37 CFR 1.550(c) for extensions of time to reply for ex parte reexamination proceedings.

Respectfully submitted,

Jamisue Webb

/Jamisue Webb/

Conferees:

John G. Weiss



Vincent Millin

**A Technology Center Director or designee must personally approve the new
ground(s) of rejection set forth in section above by signing below:**

Wynn Coggin

Director TC 3600

A handwritten signature in black ink, appearing to read "Wynn Coggin". The signature is fluid and cursive, with a distinct "W" at the beginning and a "C" at the end.